PROVINCE OF SASKATCHEWAN

10-11

ANNUAL REPORT

PHYSICIAN RECRUITMENT AGENCY OF SASKATCHEWAN

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This annual report is also available in electronic format from the Agency's website at www.saskdocs.ca.

Letter of Transmittal - Minister

June 16, 2011

The Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D. Lieutenant Governor of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Physician Recruitment Agency of Saskatchewan for the fiscal year ending March 31, 2011, including the financial statements duly certified by auditors for the Corporation in accordance with *The Crown Corporations Act, 1993*.

The Government of Saskatchewan is committed to delivering on the promises made to the people of Saskatchewan through our election platform; the fall 2010 Speech from the Throne; Ministers' Mandate letters and the 2010-11 Budget. Ministries and agencies have aligned with this direction and have developed strategies and actions to help deliver on Government's plan for Saskatchewan in the years to come. One such initiative was the Ministry of Health's physician recruitment strategy, and one of the key action items from that strategy was the creation of the Physician Recruitment Agency of Saskatchewan. In less than one year, the Physician Recruitment Agency of Saskatchewan has become fully staffed and operational; reached out to physicians and their families, communities and Regional Health Authorities; and developed best practices to recruit and retain physicians.

In a very short period of time the Agency has accomplished a great deal and made tremendous strides in enhancing physician recruitment and retention efforts across the province. The 2010-11 Physician Recruitment Agency of Saskatchewan Annual Report details many of the Agency's accomplishments as of March 31, 2011.

Honourable Don McMorris

Minister of Health

Letter of Transmittal - Chair

June 16, 2011

The Honourable Don McMorris, Minister of Health

I have the honour of submitting the Annual Report for the Physician Recruitment Agency of Saskatchewan. This report covers the Agency's activities for the fiscal year ending March 31, 2011. The Physician Recruitment Agency of Saskatchewan is responsible for this report and provides assurance that the information contained within is reliable and accurate.

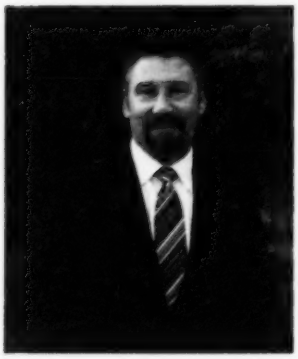
Respectfully submitted,

Max Hendricks

Associate Deputy Minister

Board Chair

Letter of Transmittal - CEO



Letter from the CEO

June 16, 2011

As the Chief Executive Officer for the Physician Recruitment Agency of Saskatchewan I accept responsibility for this report and offer assurance for the accuracy and reliability of the information contained in it. The report's content has been thoroughly reviewed and is restricted to the Agency's activities and operations.

Because this is the Agency's first annual report, providing some context around its governance, creation and operations is essential. I would like to take this opportunity to provide you with that information.

The Agency is governed by an eleven member Board of Directors. Nine board members were appointed to the Board by March 2010; a tenth member was appointed two months later. I, as CEO of the Agency, am the ex-officio 11th member. Board members represent the public, Saskatchewan Medical Association, Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities, Professional Association of Interns and Residents of Saskatchewan, Student Medical Society of Saskatchewan, College of Medicine, Regional Health Authorities, the Ministry of Advanced Education Employment and Immigration and the Ministry of Health. Each representative brings a unique perspective to the table with one goal in mind – to enhance physician recruitment and retention efforts in Saskatchewan.

The Agency's activities over the past year included the development and finalization of a strategic plan for the charting a long-term course for physician recruitment and retention. It is important to note that the shortage of physicians in Saskatchewan has been a long-standing issue and it is not one that will be fixed overnight. The plan's goals are targeted for 2013 and beyond, so in the meantime our challenge will be to keep physicians here in the province and attract new ones to help fill immediate vacancies.

Since its creation in 2010, the Agency has worked hard at getting established and operational. In this first year, the Agency has laid the foundation for provincial physician recruitment efforts. The first step in this regard was the recruitment of qualified professionals dedicated to recruiting and retaining physicians in Saskatchewan. The full complement Agency staff was accomplished by December 2010 and our permanent office became fully operational in January 2011. Therefore, the bulk of activity in this report occurred in the last three months of the 2010-2011 fiscal year. Within that period the Physician Recruitment Agency of Saskatchewan dedicated considerable energies toward building relationships with partner organizations and key stakeholders. Stakeholder support is invaluable and creates opportunities to influence the health care

environment of Saskatchewan in a way that supports the recruitment and retention of physicians for the province. Through these relationships, we secured membership on a number of relevant committees and working groups dealing with physician recruitment and retention. A list of these committees includes those aligned with the Ministry of Health, the Saskatchewan Medical Association and the Saskatchewan International Physician Practice Assessment program.

This foundational work is allowing the Agency to coordinate and enhance recruitment across the province. Already, we have established a Regional Recruiters' Network comprised of physician recruiters from all Regional Health Authorities, the Saskatchewan Medical Association, the Saskatchewan Cancer Agency and Northern Medical Services. This network facilitates a harmonized physician recruitment process across the province, and provides an opportunity for coordination, knowledge exchange and education through regular electronic contact of the network and quarterly meetings.

The Agency has one recruiter specifically dedicated to working with medical trainees at the University of Saskatchewan's College of Medicine, a critical link to establishing a strong relationship. A successful example of our work with both the College of Medicine and the Saskatchewan Medical Association is the Agency's re-establishment of the rural externship program. The program provides medical students between their second and third years of study with summer work experience in rural or remote communities. The students are anxious to get hands-on experience working with practising physicians who have generously agreed to be mentors. The health regions and communities are happy to support the program because they recognize the benefits of rural practice experience.

We are progressing towards long term goals which will impact the availability of physician resources by 2013 and beyond; however, there is an immediate need to fill a number of physician opportunities across health regions. During 2011-2012, a private recruitment firm was engaged to help fill some of those vacancies. Global Medics/Calian was selected as the recruitment agency to assist us with recruitment efforts for up to one year. It is a joint venture comprised of an international physician recruitment firm and a Canadian recruitment agency.

From a global perspective, there is an opportunity for Saskatchewan to identify the best Canadian students studying abroad and make it attractive for them to return home for clinical experiences, and eventually to establish practices in Saskatchewan. There are approximately 80 medical schools in almost 30 countries that have Canadian students enrolled in their medicine programs. Many of those students want to come home to practise medicine, but often experience frustrations in doing so. In response, officials from the University of Saskatchewan College of Medicine and the Agency travelled in March to meet with Canadian medical trainees in four Caribbean medical schools. They facilitated opportunities for exposure to medical practice in Saskatchewan and encouraged the trainees to establish practices in Saskatchewan.

As we move forward, the Agency is focused on achieving short-term and long-term goals as described in our 2011-12 Strategic and Operational Plan. This plan ensures that the daily activity of the Agency reflects the mission, vision and core strategies approved by the board and contributes to the Provincial Government's goals.

Ed Mantler

Chief Executive Officer

Introduction

Agency Overview

In 2009, the Ministry of Health announced a physician recruitment strategy for the province of Saskatchewan. Part of that strategy was a recommendation to create a "one stop shop" for physicians wanting to work in Saskatchewan, whether they were from home or abroad. The result was the establishment of the Physician Recruitment Agency of Saskatchewan, which became operational in 2010 and has followed the goals and objectives laid out in its strategic plan:

- To create and deliver programs and services to enhance recruitment and retention of physicians throughout the Saskatchewan health care system;
- To engage organizations and communities in a collaborative network that optimizes the recruitment and retention of physicians;
- To develop, recommend and promote policies and practices that are conducive to the recruitment and retention of physicians; and
- To communicate openly and effectively with the public.

The Agency was created after consulting with physician groups and other health care stakeholders, to complement measures already undertaken by the Ministry of Health, the Saskatchewan Medical Association, the College of Physicians and Surgeons of Saskatchewan and the University of Saskatchewan's College of Medicine. While it became operational less than one year ago, much of the foundational work completed over the past three months will allow the Agency to focus specifically on recruitment and retention efforts so that we see more physicians coming to, and staying in Saskatchewan.

The Agency will do this by achieving the following four goals by 2013:

1. Reduce the annual turnover rate of physicians to under 10 per cent;
2. Increase the number of Canadian trained physicians by 10 per cent from the 2007-08 baseline;
3. Increase the number of University of Saskatchewan medical graduates establishing practices in Saskatchewan by 10 per cent from the 2006-07 baseline;
4. Increase the number of University of Saskatchewan medical students exposed to training opportunities within Saskatchewan but outside of Saskatoon by 25 per cent from the 2006-07 baseline.

The Agency has challenging targets to hit, but already, after its first partial year of operation, it has made significant progress. With a mission to promote and support an environment that attracts and retains physicians, the Agency is taking a multi-directional approach. First, it is serving as a central point of contact for physicians seeking opportunities in Saskatchewan. It is collaborating with regional health authorities, communities, physicians and medical graduates to develop sustainable recruitment and retention in the province. It is coordinating and supporting other organizations that recruit physicians, resulting in a more efficient recruitment environment that lessens competition among those recruiting organizations.

The Government recognizes that increasing the number of health care professionals working in Saskatchewan is a priority for the people of the province. The Agency is taking steps to recruit and retain the number and quality of physicians that can provide the level of service our province's population deserves.

Mission

Our mission is to promote and support an environment that attracts and retains the physicians Saskatchewan needs. We do this by:

- Coordinating and supporting organizations that recruit physicians;
- Serving as a point of contact for physicians seeking recruitment;
- Creating a more efficient recruitment environment that lessens competition among recruiting organizations;
- Collaborating with regional health authorities, communities, physicians and medical graduates to develop sustainable recruitment and retention in the province;
- Promoting and supporting effective policies; and
- Helping Saskatchewan medical graduates pursue careers in the province.

Vision

We put patients first by making Saskatchewan a preferred choice for physicians.

This vision encompasses several ideals:

- An appropriate supply, mix and distribution of physicians to ensure a stable professional community;
- A sustainable recruitment and retention model that is effective, collaborative and easily accessed; and
- Saskatchewan medical graduates pursuing their careers in the province.

Values

Our primary values are collaboration, integrity and putting patients first.

Collaboration means engaging physicians, health regions, communities and medical graduates in an open and supportive environment.

Integrity means encouraging and practising the highest standards of professional and ethical behaviour.

Putting patients first means measuring our success by our impact on the health care of Saskatchewan people.

Governance

In March of 2010, Health Minister Don McMorris appointed nine members to the board of the new provincial agency. A tenth member of the board was added subsequently in June. The Agency's CEO, Ed Mantler, is the 11th, ex-officio member of the board. The Board membership in 2010-2011 includes:

The numbers in parentheses represent the number of board meetings each member attended in the 2010-2011 fiscal year. Six board meetings were held in 2010-2011.

Max Hendricks, Associate Deputy Minister (6)
Representing: Ministry of Health
Position on Board: Chairperson

David Fan, CEO, Prairie North Regional Health Authority (6)
Representing: Regional Health Authorities
Position on Board: Vice Chairperson

Rupen Pandya, Assistant Deputy Minister (5)
Representing: Ministry of Advanced Education, Employment and Immigration
Position on Board: Director

Darryl Senecal, Director, Division 6 (5)
Representing: Saskatchewan Association of Rural Municipalities
Position on Board: Director

Roland Zimmer, Mayor of Tisdale (5)
Representing: Saskatchewan Urban and Rural Municipalities
Position on Board: Director

Dr. Femi Olatunbosun, Associate Dean, Faculty Affairs (4)
Representing: College of Medicine, University of Saskatchewan
Position on Board: Director

Dr. Sue Sidhu, Vice President (2)
Representing: Professional Association of Internes & Residents of Saskatchewan
Position on Board: Director

Dr. Martin Vogel, Chief Executive Officer(4)
Representing: Saskatchewan Medical Association
Position on Board: Director

Mr. Jay Meyer, General Manager, Whitemud Developments (6)
Representing: Saskatchewan Public
Position on Board: Director

Ms. Nikki Rewuski, Medical Student, University of Saskatchewan (4) *Appointed June 24, 2010
Representing: Student Medical Society of Saskatchewan
Position on Board: Director

Alignment with the Government's Direction

The Agency's activities in 2010-11 align with Government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development;
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy;
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of Government's three goals and work towards a secure and prosperous Saskatchewan. More specifically, the Physician Recruitment Agency of Saskatchewan supports the Ministry of Health's goal to develop a highly skilled, professional and diverse workforce for Saskatchewan's health care system, as defined in the Ministry of Health's Plan for 2010-11.

Progress in 2010-11

The Physician Recruitment Agency of Saskatchewan supports the Ministry of Health's role to develop a highly skilled, professional and diverse workforce for Saskatchewan's health care system with a sufficient number and mix of service providers. The Agency fulfills this role through the following strategies:

Strategy: Create and deliver programs and services to enhance recruitment and retention of physicians throughout the Saskatchewan health care system.

Progress:

Since its creation in 2010, the Physician Recruitment Agency of Saskatchewan has made a great deal of progress in researching and developing best practices, policies and programs to enhance physician recruitment and retention efforts. It has accomplished this through the recruitment of a talented and dedicated staff. In this regard, the Agency made progress on many initiatives, some of which include:

- Procurement of Global Medics-Calian, a Canadian-International physician recruitment firm to help us fill immediate, short-term vacancies throughout the province;
- Development of a 2011-12 operational plan to support the strategic goals; and
- Visits to four international medical schools, in collaboration with the College of Medicine, to establish ties to schools abroad to promote opportunities in Saskatchewan to Canadians studying medicine out of the country;
- Recruitment of a full staff complement, establishment of a presence in close proximity to key stakeholders in Saskatoon, and beginning development programs and practices focusing on physician recruitment and retention efforts.

Strategy: Engage organizations and communities in a collaborative network that optimizes the recruitment and retention of physicians.

Progress:

The Agency worked closely with key stakeholders since its establishment in 2010. Key stakeholders include, but are not limited to, the College of Medicine, University of Saskatchewan, College of Physicians and Surgeons of Saskatchewan, Saskatchewan Medical Association, Ministry of Health, health regions, physicians and communities. Engagement opportunities with these key stakeholders include:

- Joint attendance and representation at recruitment fairs in Saskatchewan, Canada, and the United Kingdom;
- Collaboration with the College of Medicine, College of Physicians and Surgeons of Saskatchewan and the Ministry of Health on the new Saskatchewan International Physician Practice Assessment (SIPPA) program. The Agency is an integral partner in the program as a member of both a working group and a steering committee that will review and evaluate the program through its pilot stage;
- Working with communities and International Medical Graduates (IMGs) to coordinate the settlement for the new IMGs who are accepted into the SIPPA program; and
- Planning and collaborating at regular quarterly meetings to discuss issues, challenges and opportunities regarding physician recruitment within the health regions.

Progress in 2010-11

Strategy: Develop, recommend and promote policies and practices that are conducive to the recruitment and retention of physicians.

Progress:

Upon its creation, the Agency made contact with other physician recruitment agencies and organizations responsible for recruiting physicians in neighbouring provinces. These points of contact led the Agency to develop and adopt best practices for recruitment and retention efforts. More specifically, the Agency:

- Is co-leading a research project with the College of Medicine to gather information on medical practices in Saskatchewan as a resource for candidates considering a practice in Saskatchewan;
- Is actively involved with the Canadian Association of Staff Physician Recruiters;
- Developed and implemented an Ethical Physician Recruitment Framework; and
- Developed and approved a Prioritization of Services criteria, including an interim definition of sustainable practices, to help address immediate physician vacancies throughout Saskatchewan.

Strategy: Communicate openly and effectively with the public.

Progress:

Since its inception, the Agency has worked to raise awareness of the Agency and inform the public and media of the initiatives underway. It has accomplished this primarily through the following activities:

- Numerous interviews with the media regarding physician recruitment;
- Procurement of an agency of record to plan and develop a brand, website, customer relationship management tool, and visual identity;
- Collaboration with communications professionals from the Ministry of Health and health regions to keep them informed of our progress and activities; and
- Planning for a major community consultation to engage municipal leaders and health regions on best practices surrounding recruitment incentives.

In the span of only a few months the Agency has met several milestones. It has established a governance and accountability framework; engaged physicians, their families, communities, Regional Health Authorities, medical students, IMG's, government officials and health professionals to enhance physician recruitment and retention efforts; and, drafted and instituted best practices and policies. Although much more work remains, the foundation is laid for that remaining work to build upon.

Management Report

Management Report

The accompanying financial statements are the responsibility of management and have been approved in principle by the Physician Recruitment Agency of Saskatchewan's Board of Directors. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, of necessity, include some amounts that are based on estimates and judgments. The financial information presented in the Financial Summary and elsewhere in this report is consistent with that in the financial statements.

Management maintains an appropriate system of internal control, including policies and procedures, which provide reasonable assurances that the Agency's assets are safeguarded and that financial records are relevant and reliable.

The Board of Directors carries out its responsibility for the financial statements and for overseeing management's financial reporting responsibilities by meeting with management to discuss and review financial matters. The Provincial Auditor of Saskatchewan has full and open access to the Board of Directors.

The Provincial Auditor of Saskatchewan conducts an independent audit of the financial statements. Her examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures which allow her to report on the fairness of the financial statements. The Auditor's Report outlines the scope of her audit and opinion.

On behalf of management,

Edward Mantler
Chief Executive Officer

Erin Brady
Director, Corporate Operations

June 16, 2011

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
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SASKATCHEWAN

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INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Physician Recruitment Agency of Saskatchewan, which comprise the statement of financial position as at March 31, 2011, and the statement of operations and accumulated surplus, statement of change in net financial assets and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Physician Recruitment Agency of Saskatchewan as at March 31, 2011, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
June 16, 2011

Bonnie Lysyk, MBA, CA•CIA
Provincial Auditor

2010-11 Financial Overview

Statement 1

Physician Recruitment Agency of Saskatchewan
Statement of Financial Position
As at March 31

	2011	2010
Financial Assets		
Due from the General Revenue Fund (Note 3)	$3,642,014	$2,922,979
Accounts Receivable	9,947	-
	3,651,961	2,922,979
Liabilities		
Accounts Payable	100,302	-
Accrued Liabilities	15,923	1,395
	116,225	1,395
Net Financial Assets	3,535,736	2,921,584
Non-Financial Assets		
Tangible Capital Assets (Note 4)	2,229	-
Pre-paid expenses (Note 5)	65,030	-
	67,259	-
Accumulated Surplus	$3,602,995	$2,921,584

(See accompanying notes)

2010-11 Financial Overview

Statement 2

Physician Recruitment Agency of Saskatchewan
Statement of Operations and Accumulated Surplus
For the year ended March 31

	2011 (Budget) (Note 8)	2011 (Actual)	2010 (Actual)
Revenue			
Grant Revenue - General Revenue Fund	$1,500,000	$1,500,000	$2,922,979
Interest Revenue	7,500	26,073	-
Cost Recoveries	-	5,192	-
	1,507,500	1,531,265	2,922,979
Expenses			
Salary, Benefits and Education	430,000	442,277	-
Administration	200,000	94,613	-
Board Meetings	25,000	17,416	1,395
Program	300,000	215,278	-
Communications	100,000	79,860	-
Private Recruiting Agency	400,000	-	-
Stakeholder Conference	75,000	-	-
Pilot Project	75,000	-	-
Amortization Expense	-	410	-
	1,605,000	849,854	1,395
Net Surplus	$(97,500)	681,411	2,921,584
Accumulated Surplus, beginning of year		2,921,584	-
Accumulated Surplus, end of year		$3,602,995	$2,921,584

(See accompanying notes)

2010-11 Financial Overview

Statement 3

Physician Recruitment Agency of Saskatchewan
Statement of Change in Net Financial Assets
For the year ended March 31

	2011	2010
Net Surplus	$681,411	$2,921,584
Acquisition of Tangible Capital Assets	(2,639)	-
Amortization of Tangible Capital Assets	410	-
	(2,229)	-
Acquisition of prepaid expenses	(65,030)	-
	(65,030)	-
Increase in Net Financial Assets	614,152	2,921,584
Net Financial Assets, beginning of year	2,921,584	-
Net Financial Assets, end of year	$3,535,736	$2,921,584

(See accompanying notes)

2010-11 Financial Overview

Statement 4

Physician Recruitment Agency of Saskatchewan
Statement of Cash Flows
For the year ended March 31

	2011	2010
Cash Flows from Operating Activities:		
Net Surplus	$681,411	$2,921,584
Add: Non-Cash Items		
Amortization	410	-
Increase in Accounts Receivable	(9,947)	-
Increase in Prepaids	(65,030)	
Increase in Accounts Payable and Accrued Liabilities	114,830	1,395
Purchase of Capital Assets	(2,639)	-
Net cash provided by operating activities	719,035	2,922,979
Cash Flows from Investing Activities:	-	-
Cash Flows from Financing Activities:	-	-
Increase in Due from General Revenue Fund	719,035	2,922,979
Due from the General Revenue Fund, beginning of year	2,922,979	-
Due from the General Revenue Fund, end of year	$3,642,014	$2,922,979

(See accompanying notes)

Notes to the Financial Statements

March 31, 2011

1. Description of Business

The Physician Recruitment Agency of Saskatchewan (the Agency) was established as a Treasury Board Crown Corporation by Order in Council 84/2010 under the provisions of *The Crown Corporation Act, 1993* (Act).

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Agency is classified as an other government organization. The Agency uses Canadian generally accepted accounting principles applicable to governments. The following principles are considered to be significant:

a. The Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b. Grant Revenue

Grant Revenue is recognized in the period in which the transactions or events occur that give rise to the revenue and the transfer is authorized.

c. Expenses

Expenses represent the cost of resources consumed during the year for operations. Expenses include provision for the amortization of tangible capital assets.

d. Tangible Capital Assets

Tangible Capital Assets are recorded at cost and are amortized over their useful life. Amortization is recorded, commencing annually beginning in the year the asset is placed into service, on a straight line basis at the annual rates set out below.

Capital Asset Class and Category	Threshold	Estimated useful Life
Leasehold and occupancy improvements	$5,000	lesser of useful life or lease term/occupancy arrangement
System development (IT)	$5,000	10%
Computer hardware	$1,000	20%
Computer software	$1,000	20%
Office furniture and equipment	$1,000	10%

e. Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge liabilities unless they are sold.

f. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expense during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, such adjustments are reported in earnings in the period in which they become known.

Notes to the Financial Statements

March 31, 2011

3. Due from the General Revenue Fund

The Agency's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Agency's bank account using the Government's thirty-day borrowing rate and the Agency's average daily account balance. In 2010-11 the average interest rate was 0.8%.

4. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value
Computer software	$1,465	$293	$1,172
Office furniture and equipment	1,174	117	1,057
	$2,639	$410	$2,229

5. Prepaid Expenses

Prepaid expenses are primarily related to registration at career fairs in 2011-12.

6. Related Parties

These financial statements include routine transactions with related parties. The Agency is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Related party transactions to March 31, 2011, include the following:

	2011	2010
Revenue		
Ministry of Health – Grant and Interest	$1,526,073	$2,922,979
Expenses		
Ministry of Health	59,232	-
Information Technology Office	18,936	-
SaskTel	6,900	-
Government Services	4,572	-
Innovation Place	6,852	-
University of Saskatchewan	500	-

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, the Agency pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

The Ministry of Health provides management and technical services to the Agency without charge.

Notes to the Financial Statements

March 31, 2011

7. Financial Instruments

The Agency has the following financial instruments: due from the general revenue fund, accounts receivable, accounts payable, and accrued payroll liabilities. The following paragraphs disclose the significant aspects of these financial instruments.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments that may affect the amount, timing, and certainty of future cash flows.

b) Interest rate risk

The Agency is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates. The Agency does not have any long-term investments that may be affected by market pressures.

The Agency's receivables and payables are non-interest bearing.

c) Credit risk

The Agency is exposed to credit risk from potential non-payment of accounts receivable.

The Agency's receivables are most often from the provincial government; therefore, the credit risk is minimal.

d) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Accounts receivable

Accounts payable

Accrued payroll liabilities

8. Budget Approval

The Agency's budget was approved by the Physician Recruitment Agency of Saskatchewan Board of Directors on September 14, 2010.

9. Pension Plan

The Agency's employees participate in the Public Employees Benefit Plan, a defined contribution pension plan. Members currently contribute 5% of salary and the employer contributes 7%. The Agency's contribution for this fiscal year was $21,661. The Agency's obligation relative to the pension plan is limited to making the required contributions.

10. Contractual Obligations

The Agency has a lease agreement with CSIT Consulting for office space, utilities, office furniture and parking of $7,917 per month through October 31, 2012.

The Agency has a contract with Toshiba Business Solutions for a photocopier for $208 per month. The lease expires on June 30, 2014.

Contractual obligations do not include those contracts which are paid on a usage basis.

11. Capital Disclosure

The Agency's net assets are comprised mostly of cash and unrestricted net assets. The Agency is not subject to externally imposed requirements on capital.

Appendices

Appendix I: Physician Recruitment Agency of Saskatchewan Organizational Chart